

Senate Study Bill 1261

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CO=CHAIRPERSON JOHNSON)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the administration of the Iowa egg council,
2 including by providing for the use, promotion, and research of
3 eggs and egg products, and providing for an assessment.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2361SC 81
6 da/pj/5

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1 1 Section 1. Section 184.1, subsection 4, Code 2005, is
2 amended to read as follows:

1 3 4. "Eggs" means eggs produced from a layer-type chicken.

1 4 "Eggs" includes shell eggs or eggs broken for further
1 5 processing, ~~but does~~. ~~However, "eggs" does not include~~
1 6 ~~fertile any of the following:~~

1 7 a. ~~Fertile~~ eggs that are incubated, hatched, or used for
1 8 vaccines.

1 9 b. ~~Organic eggs which are produced as part of a production~~
1 10 ~~operation which is certified by the department pursuant to~~
1 11 ~~chapter 190C.~~

1 12 Sec. 2. Section 184.3, Code 2005, is amended to read as
1 13 follows:

1 14 184.3 ASSESSMENT.

1 15 1. a. ~~The council shall establish~~ Except as provided in
1 16 paragraph "b", an assessment amount for of two and one-half

1 17 cents is imposed on each thirty dozen eggs produced in this
1 18 state. The assessment shall be imposed on a producer at the
1 19 time of delivery to a purchaser who shall deduct the
1 20 assessment from the price paid to a producer at the time of
1 21 sale. The assessment shall not be refundable. The assessment
1 22 is due to be paid to the council within thirty days following
1 23 each calendar quarter, as provided by the council.

1 24 b. ~~Upon request of the council, the secretary shall call a~~
1 25 ~~special referendum for producers to vote on whether to~~

1 26 ~~authorize an increase in the assessment to an amount that is~~
1 27 ~~more than two and one-half cents imposed on each thirty dozen~~
1 28 ~~eggs produced in this state. Notice shall be given and the~~
1 29 ~~special referendum shall be conducted in the manner provided~~
1 30 ~~in section 184.5. If a majority of the producers voting~~
1 31 ~~approves the increase, the council may increase the assessment~~
1 32 ~~for the amount approved. However, the assessment shall not~~
1 33 ~~exceed fifteen cents imposed on each thirty dozen eggs~~
1 34 ~~produced in this state.~~

1 35 2. If the producer sells eggs to a purchaser outside the
2 1 state of Iowa, the producer shall deduct the ~~tax~~ assessment
2 2 from the amount received from the sale and shall forward the
2 3 amount deducted to the council within thirty days following
2 4 each calendar quarter. If the producer and processor are the
2 5 same person, then that person shall pay the assessment to the
2 6 council within thirty days following each calendar quarter.

2 7 3. The council may charge interest on any amount of the
2 8 assessment that is delinquent. The rate of interest shall not
2 9 be more than the current rate published in the Iowa
2 10 administrative bulletin by the department of revenue pursuant
2 11 to section 421.7. The interest amount shall be computed from
2 12 the date the assessment is delinquent, unless the council
2 13 designates a later date. The interest amount shall accrue for
2 14 each month in which there is delinquency calculated as
2 15 provided in section 421.7, and counting each fraction of a

2 16 month as an entire month. The interest amount due shall
2 17 become a part of the assessment due.

2 18 Sec. 3. Section 184.9, Code 2005, is amended by striking
2 19 the section and inserting in lieu thereof the following:

2 20 184.9 DUTIES OF THE COUNCIL == MARKETING.

2 21 The council shall develop new and expand existing markets
2 22 for eggs and egg products, and may provide for any of the
2 23 following:

2 24 1. Increasing the utilization of eggs or egg products.

2 25 2. Increasing the awareness of the health benefits

2 26 associated with the consumption of eggs or egg products.

2 27 3. Increasing the awareness of the economic benefits
2 28 associated with the production and processing of eggs or egg
2 29 products.

2 30 Sec. 4. NEW SECTION. 184.9A DUTIES OF THE COUNCIL ==
2 31 RESEARCH.

2 32 The council shall participate in research programs or
2 33 projects, including by conducting or financing such programs
2 34 or projects, relating to any of the following:

2 35 1. Increasing the utilization of eggs or egg products.

3 1 2. Improving the production or processing of eggs or egg
3 2 products.

3 3 3. Preventing, modifying, or eliminating barriers to trade
3 4 which obstruct the free flow of eggs or egg products in
3 5 commerce.

3 6 Sec. 5. NEW SECTION. 184.9B DUTIES OF THE COUNCIL ==
3 7 EDUCATION.

3 8 The council shall participate in education programs or
3 9 projects, including by conducting or financing such programs
3 10 or projects, as follows:

3 11 1. The council's education programs or projects may
3 12 provide for any of the following:

3 13 a. The utilization of eggs or egg products.

3 14 b. The production or processing of eggs or egg products.

3 15 c. The health benefits associated with the consumption of
3 16 eggs or egg products.

3 17 d. The safe consumption of eggs or egg products.

3 18 e. The prevention, modification, or elimination of
3 19 barriers to trade which obstruct the free flow of eggs or egg
3 20 products in commerce.

3 21 f. Increasing the awareness of the health benefits
3 22 associated with the consumption of eggs or egg products.

3 23 g. Increasing the awareness of the economic benefits

3 24 associated with the production and processing of eggs or egg
3 25 products.

3 26 2. The council's education programs or projects may be
3 27 designed to increase consumers' knowledge of the production or
3 28 processing of eggs, the preparation of eggs or egg products,
3 29 or the consumption of eggs or egg products.

3 30 3. As part of the council's education programs or projects
3 31 it may provide for the dissemination of information of public
3 32 interest, including but not limited to the development or
3 33 publication of materials in a printed or electronic format.

3 34 Sec. 6. Section 184.10, unnumbered paragraph 1, Code 2005,
3 35 is amended to read as follows:

4 1 The council may perform any function ~~related that it deems~~
4 2 ~~necessary to the production and marketing of eggs or egg~~
4 3 ~~products carry out its purposes and duties as provided in this~~
4 4 ~~chapter~~, including but not limited to doing any of the
4 5 following:

4 6 Sec. 7. Section 184.10, subsection 6, Code 2005, is
4 7 amended to read as follows:

4 8 6. Become a dues-paying member of an organization carrying
4 9 out a purpose related to ~~the increased~~ any of the following:

4 10 a. The production or processing of eggs or egg products.

4 11 b. The consumption ~~and~~ or utilization of eggs or egg
4 12 products.

4 13 Sec. 8. Section 184.10, subsection 7, Code 2005, is
4 14 amended by striking the subsection and inserting in lieu
4 15 thereof the following:

4 16 7. Administer elections for members of the council and
4 17 provide for the appointment of persons to fill vacancies
4 18 occurring on the council, as provided in section 184.8. The
4 19 department may assist the council in administering an
4 20 election, upon request to the secretary by the council.

4 21 Sec. 9. Section 184.14, unnumbered paragraph 2, Code 2005,
4 22 is amended to read as follows:

4 23 Moneys collected, deposited in the fund, and transferred to
4 24 the council as provided in this chapter are subject to audit
4 25 by the auditor of state. The moneys transferred to the
4 26 council shall be used by the council first for the payment of

4 27 collection expenses, second for payment of the costs and
4 28 expenses arising in connection with conducting referendums,
4 29 and third to perform the functions and carry out the duties of
4 30 the council as provided in ~~section 184.9~~ this chapter. Moneys
4 31 remaining after the council is abolished and the imposition of
4 32 an assessment is terminated pursuant to a referendum conducted
4 33 pursuant to section 184.5 shall continue to be expended in
4 34 accordance with this chapter until exhausted.

4 35 EXPLANATION

5 1 This bill amends Code chapter 184, which establishes the
5 2 Iowa egg council, and provides for an assessment ("checkoff")
5 3 on the sale of eggs to support activities related to egg
5 4 production and processing, including marketing, as well as
5 5 education and research.

5 6 Code section 184.9 provides for the duties of the council
5 7 which focus upon market development (promoting the increased
5 8 utilization of eggs and egg products, health benefits
5 9 associated with the consumption of eggs or egg products,
5 10 economic benefits associated with the production and
5 11 processing of eggs or egg products, and the safe use and
5 12 consumption of eggs or egg products). The Code section also
5 13 provides that the council may administer elections and provide
5 14 for the appointment of persons to fill vacancies occurring on
5 15 the council. Code section 184.10 authorizes the council to
5 16 provide for research and education programs directed toward
5 17 better and more efficient production, marketing, and
5 18 utilization of eggs and egg products, including by financing
5 19 such programs and projects.

5 20 The council establishes an assessment amount for each 30
5 21 dozen eggs produced in this state. The assessment is imposed
5 22 on a producer at the time of delivery to a purchaser who shall
5 23 deduct the assessment from the price paid to a producer at the
5 24 time of sale. The assessment is not refundable. The
5 25 assessment is due to be paid to the council within 30 days
5 26 following each calendar quarter, as provided by the council.

5 27 The bill provides that for purposes of the Code chapter,
5 28 "eggs" do not include those eggs which are produced as part of
5 29 an organic production operation. The effect of the provision
5 30 is to exclude organic farms from being assessed a checkoff.

5 31 The bill establishes a rate of assessment of two and one=
5 32 half cents on each 30 dozen eggs produced in this state. Upon
5 33 the council's initiative, the secretary of agriculture may
5 34 conduct a special referendum of producers to increase the
5 35 rate. However, the rate cannot be more than 15 cents for each
6 1 30 dozen eggs.

6 2 The bill rewrites Code section 184.9 to specifically
6 3 provide for the council's marketing duties. It also
6 4 establishes two separate Code sections. One section requires
6 5 the council to participate in research programs or projects,
6 6 including by conducting or financing such programs or
6 7 projects. The other Code section requires the department to
6 8 participate in education programs or projects, including by
6 9 conducting or financing such programs or projects. In
6 10 providing for duties related to both education and research,
6 11 the bill lists activities that may be accomplished by the
6 12 council. The bill lists a number of educational activities
6 13 related to utilization, production or processing, and trade.
6 14 The bill eliminates the reference to promoting the safe
6 15 consumption of eggs. The bill provides that the educational
6 16 component may be designed to increase consumers' awareness.
6 17 It also authorizes the council to disseminate information,
6 18 including but not limited to the development or publication of
6 19 materials in a printed or electronic format.

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